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ABSTRACT

Over the years, journalists, social scientists, and government commissions have defined news in a variety of ways, but their definitions consistently lack the notion that, above all, news is a commodity and must sell. Within the journalism profession, and particularly in television news, the potential for conflict between a media corporation's interest in maximizing profit and a journalist's obligation to maximize public understanding is rarely acknowledged. Yet the best interest of the corporation in getting the most for its stockholders often conflicts with the best interest of the public in understanding its environment. This pessimistic conclusion about journalism rests on a theory of news as a transaction between an information provider and consumer. An informal cost/benefit analysis based on this theory can be used to develop a model for predicting news content. In this model, where news is seen as a transaction, the probability of an event or item of information being covered by corporate media is inversely proportional to the cost of discovery (what a news corporation expends to learn of events and information) and the cost of assembly (what a corporation expends to create the news account), and is proportional to the anticipated breadth and intensity of its appeal to audiences that advertisers value. The implications of this theory include the suggestion that news corporations are unlikely to accept social responsibilities that conflict with business interests. (Fifty-four references are listed.) (MM)

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AN ECONOMIC THEORY OF NEWS SELECTION

Submitted to the
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Introduction

What is news?

Journalists, social scientists and government commissions have answered this question in a variety of ways over the century and a half that mass media have provided our news.

Here is a sampling of their definitions:

> News is "an attempt to reconstruct the essential framework of the event..." --Schramm (1949:288)
>
> "News is what newspapermen make it." --Gieber (1964:173)
>
> News is "important new information." --The Hutchins Commission (1947:54)
>
> "News is what somebody somewhere wants suppressed. Everything else is advertising." --Lord Northcliffe, in Evans (1983:10).
>
> "News is anything that makes a reader say, `Gee Whiz!'" Arthur MacEwen (in Boorstin, 1971:117).

These definitions illuminate one aspect of news or another. But with the possible exception of MacEwen's, all have a common failing; They don't mention the most elemental characteristic of news--that it must sell.

The notion that news is a commodity before it is anything else is sometimes mentioned, but little developed, in popular or research literature, and nearly absent from journalism texts. Within the profession, the potential for conflict between a media corporation's interest in maximizing profit and a journalist's obligation to maximize public understanding is rarely acknowledged. There is no mention of even the possibility of such a conflict, for example, in the codes of ethics of the

American Society of Newspaper Editors, the Radio and Television News Directors Association or--more surprisingly--The Newspaper Guild.

This paper questions the conventional wisdom that what is best for society is also best for the news organization. In fact, it concludes that, particularly for television, there exists a fundamental ethical dilemma in American journalism: More often than not, the best interest of the corporation in getting the most for its stockholders conflicts with the best interest of the public in understanding its environment.

This pessimistic conclusion about journalism rests on a theory of news as a transaction between an information provider and consumer. The transaction works like this: On the one side, corporate news organizations provide information in order to earn a profit directly and/or indirectly. (Direct earnings take the form of subscription fees. Indirect earnings come from the sale of the public's attention to advertisers.) On the other side, news consumers provide money and/or attention in order to gain valued information. The exchange of value is voluntary and takes place in a competitive market since the primary currency is attention[1] and there are always competing uses for the consumer's time.

Diagrammed, the news transaction has two steps.

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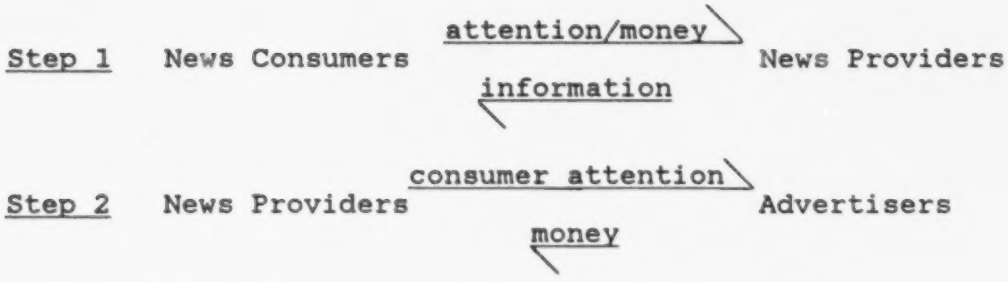
1. Profit-making radio and television news organizations earn all of their revenues from the sale of attention. About 80 percent of the total revenue of newspapers comes from selling advertising; only 20 percent from subscriptions (Udell, 1978).

The News Transaction



At first glance, thinking about news content as shaped by such a transaction may seem obvious, or an oversimplified reduction of complex news decisions to economic logic. But as we shall see, the exchange underlying the news is almost entirely missing from the research literature of gatekeeping and news selection. If nothing else, applying an economic analysis based on that exchange is novel.

As for simplification, every theory is by nature a reduction of life's complexity; seeing news as a transaction is no different. Not every news director or managing editor thinks with a cash register in his head; Some choose to defy economic considerations for principle. Further, there is more to deciding what's news than economics. Still, because every content decision involves an allocation of resources and an estimation of whether the readership or viewership will "buy" the story, each decision implicitly contains economic thinking.

We begin with a quick review of the literature of news selection. Next we look at the assumptions and elements of the argument that the underlying economic structure of news exerts a formative influence on the content of newspapers and newscasts.

Finally, a model for predicting news content and some implications of the transactional nature of news are presented.

I. The Concept of News as Transaction in Research Literature

It is not unusual for an author to write or imply that news is a commodity (e.g. Emery, 1972; Hirsch, 1977; Bantz, 1980; Turow (writing about media generally), 1984; Altschull, 1984), but the notion of a transaction between news producers and consumers is left undeveloped. In a recent review of the literature, Nienhaus (1987:1) observed: "When research emphasizes individuals [consumers], media organizations disappear. The same thing holds in reverse: When scholarly focus is on [journalistic] craft practices or organizational characteristics, individuals tend to drop out of sight."

For whatever reason, research on news has focused on the knowledge, attitudes and behaviors of the news provider or the news consumer, but not the relationship between the two.

Examples of the orientation primarily toward the consumer began with Lippmann's Public Opinion (1922); Lazarsfeld, Berelson and Gaudet's The People's Choice (1944); Schramm's analysis of "The Nature of News" (1949), and continued in studies of agenda setting and the uses and gratifications of media consumption. More recently, Graber's (1984) news processing studies sustain this perspective.

Studies from the point of view of news providers began with White's (1950) study "The Gatekeeper," were enlarged by Gieber (1956, 1964) and Breed (1955) and have flooded communications research in more recent years (Friendly, 1967; Tunstall, 1971;

Sigel, 1973; Epstein, 1973; Tuchman, 1972, 1973, 1978; Molotch and Lester, 1974; Gans, 1979; Golding and Elliot, 1979; Altheide, 1976; and Schudson, 1978;).

II. Assumptions and Elements of the Argument

Two key assumptions underlie the concept of news as transaction:

1. Both individual and organizational behavior is purposive, i.e. goal-oriented.

2. Those purposes necessarily shape behavior.

The argument is developed in three propositions:

1. The primary purposes of producing and consuming news are not simply to inform and be informed. Rather, news producers seek influence with consumers and consumers seek orientation to the environment and entertainment.

2. In a given market, it is rational for both providers and consumers to seek to maximize benefit and minimize cost in the news transaction, i.e., news seekers try to obtain the most gratification for the least cost in money, time, or other considerations; news providers try to obtain the largest return of resources for the least outlay.

3. Different kinds of news have different cost/benefit ratios. In general, news that merely entertains[2] has a lower ratio of cost to benefit for the organization than news that helps consumers understand their environment.

Each element will be treated in turn.

Assumption 1: Both individual and organizational behavior is purposive, i.e. goal-oriented.

A. Individual Behavior: Roberts (1977) relies on Boulding (1961) [who probably relied on Lasswell (1948)] to assert: "In order to function successfully, all living systems, whether

2 By news that entertains, I mean more than just "brights" and humorous stories, but also stories rich in one or more of the following news values--human interest, celebrity, conflict, unusualness, topicality, or visual quality--but lean in consequence.

one-celled organisms or human beings, structure or form an `image´ of aspects of their environment which is relevant to whatever goals they might pursue."

Dervin (1981:78) develops this notion for human behavior into what she calls "sense-making."

> People must construct sense in a world where no external, absolute sense is provided. Since no observations made by one person perfectly fit the time and place of another, it is assumed that each person must construct his/her own sense. And, since time passes and things change, the sense made by one person today does not automatically fit tomorrow.
>
> In this context, message use is seen as an active purposive behavior, part of the individual´s constant, ongoing requirement of constructing cognitive order for his/her world.... People seek external input (i.e. information) to help them fill the gaps they see in their understanding of their worlds.

B. Organizational Behavior: Purposive communication is a characteristic of organizations as well. Scott (1981) observed that organizations are modeled on a rationalization of tendencies that appear in all human groups, e.g. goal-setting, socialization, communication, ranking, norm formation and exercise of power.

Assumption 2: Purposes necessarily shape behavior.

Both individuals and organizations make demands on their environment. Both require resources from outside their own boundaries to maintain existence. Thus both individuals and organizations orient themselves to the environment in such a manner that these requisites are satisfied. Behavior is necessarily tailored to meet basic requirements of existence.

This process of forming behavior to meet basic purposes begins with perception (Krech and Crutchfield, 1977). While photoreceptors in the eye collect all of the light from an individual's field of vision, the mind simplifies the enormous incoming stream of visual information, consciously registering a small subset of what's available. Other senses are treated similarly. The criterion for admission to active processing is a relationship with the purposes of the individual at the moment.

What is perceived is necessarily defined by its relation to the perceiver. It is colored by our past experiences as well as our present needs. Lippmann (1922) noted:

> ...the human mind is not a film which registers once and for all each impression that comes through its shutters and lenses. The human mind is endlessly creative. The pictures fade or combine, are sharpened here, condensed there, as we make them more completely our own (p. 159).

Behavior, therefore, is not based on a mirror-like reflection of reality, but on an <u>interpretation</u> of reality where some elements--those related to the purpose at hand--are in the foreground and others--those we don't relate to those purposes--in the background. We behave in response to what Lippmann called "the pictures in our heads."

At the organizational level, corporate purposes are substituted for the individual's. Scott (1981) argued that organizations are modeled on rationalization of the tendencies that appear in all human groups. One of those is goal-setting.

Not all organizational goals are equal. Scott quoted Selznick (1949) in declaring that the overriding goal of all systems "is the maintenance of the integrity and continuity of the system itself" (1981:96). For commercial corporate organizations this ultimate end translates into the need to make enough profit to maintain themselves. It is logical to expect, then, that news departments within such a corporate structure will be designed to realize this preeminent goal, and that other goals will be subservient to the need "to stay in business."

Empirical support for the notion that news providers shape content to serve organizational requisites is plentiful. Breed, (1955); Sigelman, (1973); Epstein, (1973); Hirsch, (1977), and Bantz, et al. (1980) demonstrate how organizations exercise control over work, and how that control is related to organizational goals. These goals are expressed in routinized tasks (Altheide, 1976; Tuchman, 1978). "Like any other organization men," Sigal (1973:101) observed, "reporters engaged in newsgathering follow established routines." These routines acquire an ideology Sigal called "the journalist's creed. The creed contains rationalizations of the economic self-interest of men in the industry" (1973:89).

The purpose for which information is provided, therefore, necessarily determines what is included in the message and what is not. News providers, because they are guided by their own purposes, include elements that serve those purposes and exclude those that are hostile to those purposes.

For example, governments that don't value dissent as a means of correction but see it instead as misleading the public are not likely to provide reliable reports of anti-government protests (Schramm et al., 1956). Media corporations that earn revenues by delivering attention to advertisers' products must structure news reports to capture the attention of an audience adequate to support the corporation, regardless of how much or little that audience may learn of the environment from the news. At the interpersonal level, a friend's recounting of neighborhood news necessarily reflects his/her purposes. You are likely to learn of the neighborhood picnic from her if she wants you to come, but not if she would prefer you missed it.

Proposition 1: The primary purposes of producing and consuming news are not simply to inform and be informed. Rather, news producers seek influence with consumers and consumers seek orientation to the environment and entertainment.

A. The News Provider's Purpose: As we saw earlier, news providers voluntarily bring to the exchange a product, information. What they seek in return is something of value other than information.[3] Be they a spouse telling of her day at the office, or a journalist narrating the day's events in the Middle East, news providers seek influence with the news consumer. At minimum, the news provider seeks to influence the consumer to attend to the message rather than a competing message--such as another newspaper or station's account--or to competing behaviors, such as walking the dog.

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3 From an exchange view, the notion that two people may meet to "swap" information is seen as two or more separate transactions with the actors changing roles of news provider and consumer.

B. The News Consumer's Purpose: In a comprehensive review of uses and gratifications research on news, Wenner (1985) made a strong argument for a gratifications "map" with two dimensions: 1) content gratifications, and 2) process gratifications. Following Cutler and Danowski (1980), Wenner described content gratifications as "message uses to gain knowledge, increase or reduce uncertainty in personal and social situations, or support existing predispositions" (p. 173).

Wenner described process gratifications as "characterized by consumption activities that take place apart from content per se, and include a myriad of `escape' uses, stimulation uses that often involve engagement in `entertainment,' and uses combatting social isolation through connections with mediated culture and its actors" (p. 173).

A two-dimensional view of news gratifications is also advanced by Finn (1983) and developed by Donohew et al. (1987). Finn's information-theoretic model describes two motivations for news consumption: entertainment-seeking and information-seeking.

We shall follow suit, defining two dimensions for news gratifications. The first, orientation, is analogous to Wenner's content gratifications and Finn's information-seeking. The second, entertainment, is similar to Wenner's process gratification and Finn's entertainment-seeking.

Orientation denotes the cognitive inputs individuals seek from the environment in the process of sense-making as described by Dervin above. Entertainment denotes all the affective inputs sought from the news--escape, relaxation, time filling,

emotional release, sexual arousal, vicarious companionship, and social empathy (McQuail, 1983).

As Schramm (1949) pointed out in making his similar distinction between immediate (pleasurable) and delayed (reality-ascertaining) gratification news, the two are not necessarily separate, but often intermixed in a given news account.

Proposition 2: In a given market, it is rational for both providers and consumers to seek to maximize benefit and minimize cost in the news transaction, i.e. news seekers try to obtain the most gratification for the least cost in money, time or other considerations; news providers try to obtain the largest return of resources for the least outlay.

Although this proposition also applies in principle to the behavior of individuals telling each other news personally, the treatment here assumes a mass-mediated news context.

Like exchange, the notion of efficient action, is one of the most fundamental and widely applied concepts of economics. Main and Baird (1981:8) define an efficient action as one "in which the benefits of the action are greater than the costs."

Efficiency becomes a goal of personal and organizational behavior to the extent that resources are scarce. Time and energy--resources needed to accomplish any purpose--are always scarce, particularly for an individual.

A. News Seekers: A news consumer can be expected to select news from providers in a particular market who he/she thinks provide the gratifications sought least expensively and with the least effort expended. Rivers, Schramm and Christians (1980:20)

argued that for a media consumer:

$$\text{Likelihood of selection} = \frac{\text{Expectation of reward}}{\text{Effort thought to be required}}$$

"The likelihood that audiences will attend to a message," the authors explained, "is enhanced when the reward is greater and the effort smaller."

B. News Providers: The same principle of maximizing benefit and minimizing loss is employed by commodity providers. In fact, evidence of economic logic is stronger for organizations than for individuals. Mott (1962), for example, showed how competing newspapers of the Nineteenth and Twentieth centuries adjusted subscription and per copy costs to maximize profit. Owen et al. (1974:4) in their study of television economics stated: "If TV station managers are rational businessmen, as their stockholders have every right to expect them to be, they will be interested in maximizing the difference between advertising revenue and costs, and this difference is, of course, profit."

Proposition 3: Different kinds of news have different cost/benefit ratios. In general, serving the orientation function of news entails higher ratios of cost to benefit than serving the entertainment function because entertainment is both less expensive to produce and has wider appeal than orientation.

We'll discuss each term and then their relationship.

a. Cost: The news organization must expend more resources in time, personnel, equipment and facilities to do some stories than others. The editorial aspect of news production, can be seen as having three sequential stages. First events and information that might constitute news have to be discovered.

Second, of all the events and information discovered, a subset has to be selected. Third, the story must be assembled--sources questioned, information gathered, a narrative constructed. Our focus will be on the first and third of these steps because they consume the most resources.

At the news discovery and assembly stages, cost is largely a function of three factors:

i) the ratio of active to passive news effort;

ii) the ratio of complex to simple topics;

iii) the degree of local news effort.

Let's look at each cost factor in turn:

i) A news organization may be active or passive in discovering news. It may rely primarily on other organizations such as wire services, public relations representatives, other newspapers, other broadcast stations, or other magazines to turn up the news or it may deploy its own staff at strategic places--beats in journalistic parlance--where news habitually originates. An active news-discovering organization will also direct staffmembers to investigate people, places and things for newsworthiness. Since staff salaries tend to be higher than subscriptions to other news organizations' products, passive news discovery is less expensive than active.

The active-passive dimension is also a metric of cost for news assembly. The more sources sought, particularly those reluctant to provide information, the more fact claims checked independently by the news organization, the more expensive is the story to assemble.

(ii) In like manner, happenings that are complex normally take more resources both to uncover and assemble into a coherent narrative than those that are simple. A simple event such as a fire or accident can be learned of merely by listening to a police scanner radio. The event usually can be turned into a news story by one reporter (and photographer in television) in considerably less than a workday. Issues, on the other hand, are more complex, if only because they are a relationship between two or more events usually occurring at different times and places. The logistics both of discovering and assembling accounts of issues are normally more demanding of resources than what is required to produce stories of isolated events.

In comparing how the news media covered the Carter administration's scandal over Billy Carter's involvement as a paid representative of the Libyans and the Reagan administration's scandal over the indictment of Labor Secretary Raymond Donovan for participating in a kickback scheme, Entman (1987:14-15) provided an example of how the cost of active news discovery of complex issues plays a role in their coverage.

> Billygate was a simple story. Sources in Washington continued to serve up new Billygate tidbits for their own self-interested reasons; the largely public proceedings against him produced news as well. The accusations against Billy were relatively simple to understand.
>
> The Donovan story also concerned potential malfeasance, but it required much more difficult, hazardous, costly journalism. The chief potential news sources were grand jury participants pledged to secrecy, and alleged criminals (some of them also pledged to confidentiality, under a somewhat different oath). Unlike the politicians milking Billygate, the Donovan sources had every incentive to avoid reporters. The alleged scam was byzantine: quite difficult to convey in a few minutes of televison.

Partly because Billygate could be discovered passively, while the Donovan scandal required active news seeking and because the first scandal was simple and the latter complex, the print media Entman analyzed wrote three times as many articles about Billy Carter as about Raymond Donovan. Network news devoted five times as many minutes of coverage to Carter as were allotted to Donovan.

iii) The degree of localness in a news report is also a major cost factor (Bagdikian, 1977). Localness is the degree to which a news organization commits resources to learning of and reporting news at the level of most frequent public impact to individuals within the circulation area of the news organization. Normally this level is the municipal. In any case, it is the area governed by the most local elected body that establishes property and other taxes, regulates schools, makes zoning decisions, establishes building and other safety codes and organizes fire and police protection. Obviously, it consumes more resources to send reporters to each governing body within a circulation area than to cover a few of the larger political subdivisions.

Combining measures of active-passive, complex-simple and the intensiveness of local coverage, one can construct a continuum from inexpensive to expensive news.

At the least expensive end of the continuum one would find materials passively learned of and assembled, describing simple events occurring in major population centers. Examples of inexpensive news stories are press releases and wire service

stories disseminated verbatim or with marginal checking or revision. Mid-way on the cost continuum would be stories that the news organization learned of outside the newsroom and pursued at the level of an issue, at least seeking two sides. The most expensive stories are investigative or "precision journalism" (social science methods) projects involving substantial planning and execution time, often with multiple reporters, reluctant sources, a high level of independent checking of truth claims, and the possibility of legal action against the news organization, conducted across the region, not just in the largest city.

b) Benefit. Benefit has been defined earlier as the accumulation of resources. Most commercial news media rely primarily on advertising revenue to support themselves. Advertisers pay for the attention of news consumers based on how many individuals are reached and--depending on the cost of the product being marketed--how much disposable income they have (Owen et al. 1974). Most print news media also depend on a direct payment from consumers for a part of their revenue (Udell, 1978). Maximizing the number of news consumers, particularly upscale consumers, then maximizes benefit for a news organization.

c) The relationship of cost to benefit.

News that is primarily orientational has a relatively high cost to benefit ratio. If news organizations are to serve the orientational needs of those who use them optimally, their process of news discovery and assembly should be more active

than passive, more oriented towards explaining the complex than describing the simple, and more local than regional.

Active news effort gives journalists more control over the product while passivity hands over the news professional's role--with its code of public service--to special interests powerful enough to orchestrate "news" for the media (see Boorstin, 1961). A willingness to engage complexity is critical to serving the orientational needs of the consumer. If people are to gain an understanding of the world about them, explanations of issues are in most cases more useful than descriptions of simple events. And finally, because events closest to us normally have more impact than those more distant, orientation is best served by localized reporting. <u>All else being equal, the more active, complex and local the news coverage, the greater its cost</u>.

The benefit derived--the number of consumers attracted--however, may be limited by a story that is local, particularly if it is complex. Orientational value often does not generalize to a regional audience. What is important in one community--a tax increase, a curtailment of municipal services, a school desegregation plan--may be largely irrelevant in another community served by the news organization.

In fact, orientational value is usually even more limited in appeal. All of the residents of a city undergoing school closings and consolidations, for example, are unlikely to attend to a story on that subject. The orientational reward may be significant only for parents of children at affected schools.

Playing to the orientational value of news is economically risky because the consequence of information is defined by the individual entering the news transaction. As Park (in Frazier and Gaziano, 1979:20) observed: "Each and all of us live in a world of which we are the center, and the dimensions of this world are defined by the direction and distances from which the news comes to us..."

Little the mass media report is immediately consequential to the typical consumer. The news is not usually about his family, his friends, his job, or his neighborhood.

If the treatment of an orientational topic is complex, the story is likely to be both longer and more detailed than if it is simple. Such a story is likely to discourage the interest of those for whom it does not have direct orientational utility because the cost of access is high in time and concentration, and the reward is low.

The attraction of news that is primarily entertaining, however, is not circumscribed by geopolitical boundaries. A news item with powerful human interest, a bizarre turn of affairs, violent conflict, celebrities, strong visuals, humor, or better, a combination of these values, is almost as compelling for regional consumers as it is for residents of the community where the event took place.

For example, although 18-month-old Jessica McClure was trapped in a muddy well in remote Midland, Texas for three days last October, news of the dramatic rescue effort played on page

one across the nation. And when the toddler was finally pulled from the pit, all three major networks carried the event live.

While consequence is a relative news value--important to some but not to others--the entertaining news values such as human interest, humor, unusualness, celebrity and conflict are more absolute in nature.

Besides being more generalizable, entertaining news should be simple rather than complex.

If consumers use news both for orientation and entertainment, some combination of the two makes economic sense. Despite society's need for news of consequence, economic rationality suggests that, all else equal, enriching the entertainment values in the news blend is likely to improve return on investment. Increasing the organization's commitment to orientation may diminish profit levels, particularly in televised news where viewers cannot randomly access stories, bypassing what's boring for them.[4]

III. Predicting Coverage

The foregoing suggests that what gets in the news is necessarily based on an informal cost/benefit analysis. There are two cost terms and one benefit term in the equation.

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4 This is not a defense of television news selection processes. Figures supplied by the National Association of Broadcasting, indicate that most affiliate stations are so profitable they could spend considerably more on news and still earn a greater return than the national manufacturing average.

If news is seen as a transaction, the probability of an event or item of information being covered by corporate media is inversely proportional to:

1) The cost of discovery; and
2) The cost of assembly;

And proportional to:

3) the anticipated breadth and intensity of its appeal to audiences advertisers value.

The cost of discovery is what a news corporation expends to learn of events and information that might be newsworthy. Discovery of an event--as opposed to learning of it from another news organization such as a community newspaper--costs the time a reporter spends cultivating sources. In general, the more embarrassing a story might be to powerful institutions and individuals, the more difficult and time-consuming it is to discover.

The cost of assembly is what a corporation expends to create the news account. Again, the primary cost is the reporters', photographers' and editors' (and perhaps lawyers') time. In general, the more complex the story or the more powerful interests have to lose from telling it, the more costly it will be to report.

The anticipated breadth and intensity of appeal of the event or information is the editor's judgment of how many consumers are likely to attend to the story. Such a judgment is described in the literature as an estimation of news values, i.e. how strong is the emotional, or human interest appeal, how prominent are the persons described, how unusual is it, how much conflict

does it contain, how strong are the visuals, how consequential is it to how many?

Each of the three terms figures in the probability of coverage. For example, a metropolitan newspaper or television station would be unlikely to originate coverage of a behind-the-scenes power struggle on the city council of one of the smaller communities within its service area. It is expensive to send reporters to each community, time-consuming to document behavior occurring out of public sight, and difficult to sell a consequential dispute in one city to residents of other political jurisdictions. But should discovery become easier through a phoned-in tip from one of the politicians involved, the probability of coverage rises. And should the issue be easy to report, then the probability rises again. Finally, if the now public dispute involves entertainment values such as strong human interest or unusualness, the probability of coverage nears certainty.

The terms of the equation also interact. A story that is costly to assemble, such as a presidential candidate's infidelity, may still be reported provided that the tip permitting discovery appears trustworthy, and that the story promises wide appeal.

Note that this approach to predicting news coverage is broader than studies of news values and gatekeeping. Gatekeepers choose from among what's known, what approaches the gate. Similarly, the evaluation of news values can't occur until the event or information has been discovered.

Including the discovery stage in the analysis of what becomes news is important. If certain topics don't come to light, no matter how interesting or important they are, they won't become headlines or lead off broadcasts. The governments of South Africa and Israel understood this quite well when they banned coverage of civil disturbances by anti-government groups. The importance of discovery is no less well understood in the United States where public relations has become a booming industry, partly directed at providing the news media easy access to image-promoting information and raising the cost of discovering what might prove embarrassing.

IV. Implications of Seeing News as a Transaction

Several come immediately to mind:

1. The notion of news as formed in anticipation of a sale, a transaction, suggests a fundamental dilemma in news produced by profit-making corporations. News that has the most civic value tends to be expensive to discover, expensive to gather, and--because it is often local rather than regional--limited in audience appeal. While news that is easiest to discover, inexpensive to gather, and most widely interesting is likely to be least valuable in helping consumers understand their environment.

2. Regardless of First Amendment protections and exclusive government-enforced licenses to broadcast, news corporations are unlikely to accept social responsibilities that conflict with business interests. For example, both the Hutchins and Kerner Commissions called for the media to carry news of black and other minority communities in proportion to their population. But sending reporters into neighborhoods whose residents advertisers don't seek because they lack disposable income makes less economic sense than deploying them in the wealthier suburbs. Intensive coverage of minorities is likely to be proportional to their attractiveness to advertisers and the cost of doing business in their communities, not to their numbers in a signal or circulation area.

The journalistic ideal of providing a peaceful means of airing social grievances, or of journalism as a social "glue" holding together disparate groups is frequently incompatible with strategies designed to maximize stockholders' return.

3. There are a host of implications in politics. In general, political candidates who are able to facilitate the news corporations' search for widely appealing, inexpensive stories are likely to gain an advantage over opponents in defining public discourse. Dramatic statements, gestures, events and pseudo events staged for the media--provide lively news copy as George Bush recently demonstrated in his celebrated run-in with CBS anchorman Dan Rather. Candidates who eschew fabricated events, who lack a flair for the dramatic, who must rely upon reasoning and arguments about consequential issues are at a disadvantage.

Although the public is best served by independent, active media scrutiny of each candidate, coverage is likely to converge on those most able to help the news corporation earn money. Incumbents--who have the power of office--and well-financed candidates are in the best position to offer such help.

The presentation of issues particularly conflicts with the economic logic of television. In a medium where all consumers must watch the same story for a set time, dull but consequential issues are likely to cost a station the interest of apathetic viewers. Further, issues are inherently more difficult to illustrate than events. Issues deny television its technological advantage over print, or force stations to spend money illustrating ideas. Dull but important stories in newspapers, by contrast, are unlikely to drive away readers if more appealing stories are also presented. Unlike television, newspapers can be randomly accessed; Dull stories can be skipped.[5] [6]

Even the kinds of mistakes a candidate can get away with are predictable in a media-saturated campaign. Errors that are consequential, but dull, such as an unworkable position paper, are likely to attract less media attention than errors that are interesting, whether they are consequential or not. For example, when Judge Douglas Ginsburg withdrew his name from consideration for a Supreme Court vacancy, it was in a furor over smoking marijuana--an occasional practice thousands of 60's generation Americans have continued despite belonging to professions--not for allegations of more serious legal and ethical breaches including conflict of interest and contract violations.

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5 Note that when commercial television does carry political issues, it is usually in the format of a debate and responses are required to be quite brief. Debates have the audience-building virtues of conflict and emotion.

6 Dull stories are not without penalty for a newspaper. They consume resources--both newsprint and reporter time--that could otherwise be committed to more appealing articles.

4. Lastly, thinking about news as a transaction suggests that the way to improve journalism cannot be limited to what journalism schools are doing now--encouraging a sense of professionalism. However professional, graduates must serve the corporate self-interest if they are to survive and advance in the industry. In addition, journalism educators ought to focus on changing the market demand by informing the public of the civic dangers of "junk journalism"--news high in sensation and entertainment, but low in consequence.

Communication scholars ought to follow the example of public health researchers who have begun to influence food providers by educating the public about the dangers of "junk food" diets high in sodium and fat. If the public demands more nourishment in its news--at it has begun to in its diet--media corporations must provide it to maximize return.

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